

Message Text

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PAGE 01 STATE 149383

64

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DON BOSTWICK, EXECUTIVE VICE PRESIDENT

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FM SECSTATE WASHDC

TO AMEMBASSY OSLO

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E.O. 11652: N/A

TAGS: APUB, NO

SUBJ: PRESS RELEASE ON EXIMBANK LOANS TO NORWAY

FOLLOWING IS FINAL TEXT OF EXPORT-IMPORT BANK RELEASE ON THE LOANS
TOTALLING DOLS 5,287,500 TO K/S GOTAAS-LARSEN DRILLING A/S AND CO.
AND ROWAN, INC., AND FIVE COMPANIS IN THE FRED OLSEN GROUP OF
OSLO, NORWAY. RLEASE IS SCHEDULED FOR ANNOUNCEMENT HERE IN WASH-
INGTON,D.C. FOR A.M. PAPERS, FRIDAY, AUGUST 3, 1973.

QUOTE: EXIMBANK SUPPORTS DOLS 11.8 MILLION SALE OF U.S.
SEMI-SUBMERSIBLE DRILLING RIGS TO BORROWERS IN NORWAY

TO HELP FINANCE A DOLS 11,750,000 SALE OF DRILLING RIG EQUIPMENT
TO NORWAY, THE BOARD OF DIRECTORS OF THE EXPORT-IMPORT BANK OF
THE UNITED STATES HAS AUTHORIZED TWO DIRECT LOANS TOTALLING
DOLS 5,287,500 TO FINANCE 45 PERCENT OF THE U.S. COSTS,
ACCORDING TO EXIMBANK'S CHAIRMAN HENRY KEARNS.

EXIMBANK'S DIRECT LOAN OF DOLS 2,925,000 WILL FINANCE 45
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PAGE 02 STATE 149383

PERCENT OF THE PURCHASE PRICE OF DRILLING EQUIPMENT FOR A

SELF PROPELLED SEMI-SUBMERSIBLE DRILLING RIG COSTING DOLS 6.5 MILLION. THE MORGAN GUARANTY TRUST COMPANY OF NEW YORK WILL ALSO EXTEND FINANCING OF DOLS 2,925,000 TO FINANCE ANOTHER 45 PERCENT OF THE U.S. COSTS. THE OBLIGORS, K/S GOTAAS-LARSEN DRILLING A/S AND COMPANY AND ROWAN, INC., WILL MAKE CASH PAYMENT TALLING DOLS 650,000 OF WHICH 90 PERCENT WILL BE FROM K/S GOTAAS-LARSEN DRILLING A/S AND COMPANY AND THE BALANCE FROM ROWAN, INC.

THE BORROWER IS HAVING SEMI-SUBMERSIBLE DRILLING RIG BUILT IN NORWAY BY A/ S AKERS MEK. VERKSTED AT A TOTAL COST OF DOLS 26.5 MILLION. THE RIG WILL BE USED IN OFFSHORE DRILLING OPERATIONS IN THE NORTH SEA. U.S. SUPPLIERS OF THE EQUIPMENT HAVE NOT YET BEEN SELECTED.

THE LOANS ARE TO BE REPAID IN 10 SEMIANNUAL INSTALLMENTS BEGINNING NO LATER THAN FEBRUARY 5, 1975, WITH EXIMBANK'S DIRECT LOAN OF DOLS 2,925,000 TO BE REPAID OUT OF THE LAST FIVE INSTALLMENTS WITH INTEREST AT AN ANNUAL RATE OF 6 PERCENT ON OUTSTANDING BALANCES.

THE SECOND DIRECT LOAN FROM EXIMBANK OF DOLS 2,362,500 WILL FINANCE 45 PERCENT OF THE U.S. COSTS OF DRILLING RIG EQUIPMENT FOR SEMI-SUBMERSIBLE DRILLING RIG COSTING DOLS 5,250,000. CHEMICAL BANK, NEW YORK WILL ALSO EXTEND A LOAN OF DOLS 2,362,500 TO FINANCE ANOTHER 45 PERCENT OF THE U.S. COSTS. THE BORROWERS ARE FIVE SHIPPING COMPANIES THAT ARE PART OF THE FRED OLSEN GROUP OF OSLO, NORWAY, WHICH WILL MAKE CASH PAYMENT OF 10 PERCENT OF THE U.S. COSTS OR DOLS 525,000.

THE DRILLING RIG EQUIPMENT FOR A SEMI-SUBMERSIBLE DRILLING RIG WILL BE INSTALLED ON A HULL TO BE BUILT IN THE AKERS SHIPYARD IN NORWAY AT A TOTAL COST OF SOME DOLS 26 MILLION. DELIVERY OF THE EQUIPMENT TO NORWAY IS EXPECTED BY MAY 1974. THE PRIME U.S. SUPPLIER IS CONTINENTAL EMSCO OF HOUSTON, TEXAS.

THE LOANS IN THIS TRANSACTION ARE TO BE REPAID IN 10 SEMIANNUAL INSTALLMENTS BEGINNING NO LATER THAN FEBRUARY 10, 1975, WITH EXIMBANK'S DIRECT LOAN OF DOLS 2,362,500 TO BE REPAID OUT OF THE LAST 5 INSTALLMENTS WITH INTEREST AT AN ANNUAL RATE OF 6 PERCENT ON OUTSTANDING BALANCES. UNQUOTE ROGERS
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PAGE 03 STATE 149383

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